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New farm bill would stimulate economy

By Marshall Coyle

While Congress and President Bush recently completed work on an economic stimulus package for America, farm interests have been pushing for another type of economic boost known as "the farm bill."

Sometimes mischaracterized as a subsidy program for large-scale corporate farms, the nation's farm policy actually goes a long way toward providing a sense of economic stability in rural communities. And it does so with a broad reach.

About two-thirds of the spending in the farm bill is allocated for nutrition programs like food stamps. The measure also provides funding for a wide variety of research, conservation, renewable energy and trade programs.

The commodity title - the section providing income support to farm families when market prices are low - is only a small part of the cost, but has a significant effect. With this "safety net" eliminating some of the instability and uncertainty in farm income, farmers can obtain operating capital even during the bad times. The multiplier effect to the non-farm sector bolsters the economic base of rural America.

The slight injection of this safety net into the farm economy spurs investment in new technologies on the farm and development in rural communities. And most importantly, it allows farmers to continue to provide Americans with an affordable and high-quality food supply. Indeed, the farm bill is policy that touches all of us by sustaining the world's best food system. Without it, Americans almost certainly would have to spend more of their incomes on food, leaving them with fewer resources for other necessities.

To those who have bought into the assertion that farm subsidies are "welfare" for well-to-do farmers, please consider this: According to U.S. Department of Agriculture projections, direct government payments to farmers in 2007 accounted for less than 4 percent of gross farm income.

In other words, it is the marketplace that provides \$97 of every \$100 a farmer earns.

Nevertheless, the fiscal parameters adopted by Congress for the next farm bill calls for a \$22.5 billion reduction in commodity program spending over the five years of the program. Meanwhile, food stamp programs would see a \$29.9 billion increase.

Adopting a new farm bill is the best thing our leaders could do to stimulate economic activity in rural America. This should be a high priority.

Marshall Coyle

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